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AUGUST 22, 1966

INDIA'S URGENT NEED FOR MORE FERTILIZERS

OUR LONDON TRADE CENTER

THE NEW COMMON FARM PRICES OF THE EEC

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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India Challenged by Urgent Need for More Fertilizers

Some progress has been made in recent years but India is still plagued with overworked soils and crop yields that are among the world's lowest.

By ROSS L. PACKARD
Assistant U.S. Agricultural Attaché
New Delhi, India

India, whose population now numbers a half billion people, faces the middle sixties with soils depleted of much of their fertility and with virgin lands nonexistent. And so serious is this situation that escape from hunger—in fact, survival itself—is linked to rebuilding the soil and to fertilizing the land.

The soil fertility challenge is threefold. If India is to meet the food needs of the next few years, it must procure and distribute vast quantities of plant nutrients. It must develop within a short span a chemical fertilizer industry which under less critical circumstances might require several decades. At the same time, it must educate its millions of farmers in modern agronomic techniques.

Emergency plans effective

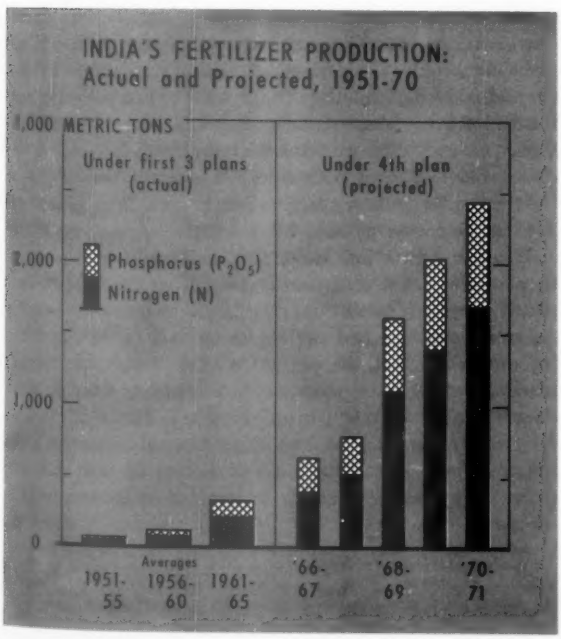
Last fall several emergency plans were made to meet the impending food crisis, and two phases of the program were concerned with soil fertility. One specified that the States should request additional allocation for fertilizers. Eight States responded and were allowed an additional total of 83,393 metric tons of ammonium sulfate and 7,110 metric tons of urea. This provided a total of 22,853 metric tons of actual nitrogen.

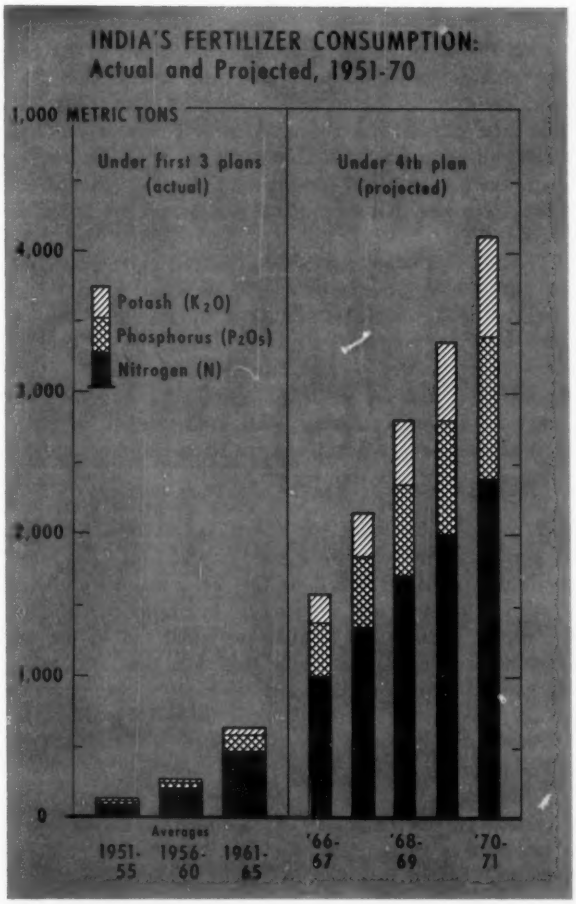
The other called for greater production of farm manure in compost pits. This program utilizes green leaves, prunings, water hyacinths, silt from bottoms of ponds, and cattle urine. In addition, extension officers were given refresher training in development of local manurial resources. (The success of these emergency plans was reported in the May 23 issue of *Foreign Agriculture*: "India's Water Supply.")

The Union Agricultural Ministry has established a production goal of 95-97 million tons of foodgrains (all cereals and pulses) for the crop year beginning July 1, 1966. This is based on the assumption that about 1 million tons of nitrogen plus 370,000 tons of phosphorus and 200,000 of potash will be available for distribution. About half would be for the fall and winter crops and half for the spring crop. Besides this input of fertilizers, normal rainfall, greater use of improved seed, and a considerable increase in tube well pumping sets will be needed.

5-year goals

Whatever the outcome of this coming year's crop, fertilizer consumption must increase sharply during the next 5 years if Indian agriculture is to approach self-sufficiency. This has been accepted by Indian Government officials,





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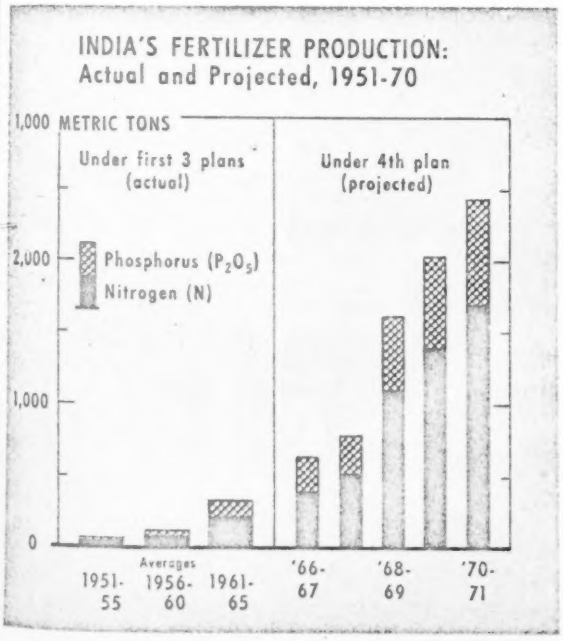

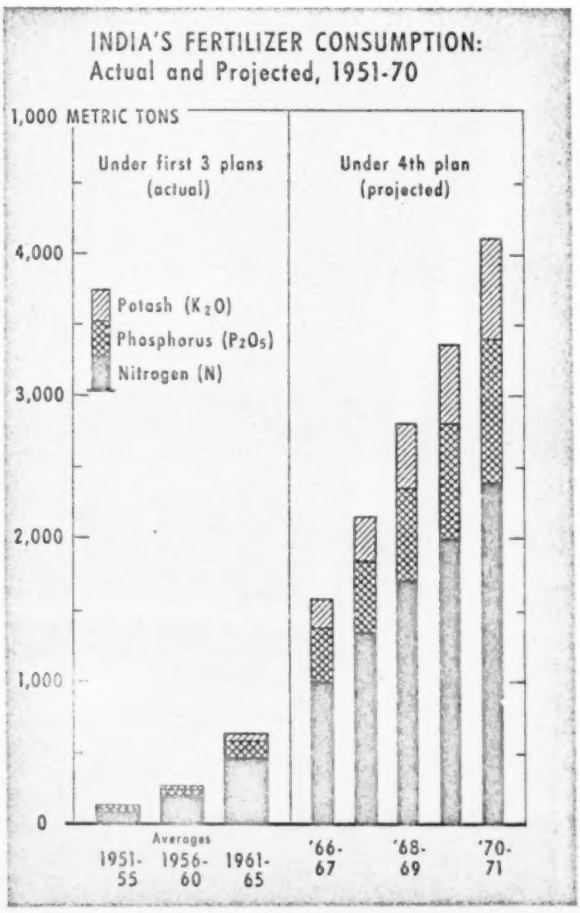

who say nitrogen use will be more than doubled by 1970-71, while use of phosphorus and potash will triple.

Last fall the Government of India estimated the extent to which these requirements could be met during the Fourth Plan through domestic production, and the imports that would be needed as supplements. While there will be considerable increase in domestic production during the next 5 years, substantial imports of nitrogen and phosphorus will still be needed by 1970-71, and virtually all potash will continue to be supplied by imports.

Considerable gains achieved

India's nitrogen fertilizer production in 1964-65 was 243,200 tons compared to the 1950-51 total of about 9,000 tons. The 1965-66 production is estimated to have been 265,000 tons, with 368,000 tons forecast for 1966-67. This large but still inadequate increase has been possible through the installation of larger fertilizer plants at Sindri, Nangal, and Trombay, and the establishment of an ammonium chloride plant at Varanasi.

Phosphatic fertilizer production increased from about 9,000 tons in 1950-51 to 131,000 tons in 1964-65, but only reached 120,000 tons in 1965-66. In earlier years, lack of sulfuric acid kept production below capacity.

Potassic fertilizers are imported from other countries, as there is practically no domestic production. India, in fact, has met the major part of all its fertilizer needs through imports during the past few years. In terms of volume, ammonium sulfate and natural phosphates have been the two major types of fertilizer imported.

Farmers now aware of need

One of the problems that India now faces is the fact that most of the Indian soils have been farmed year after year, through the centuries, by farmers who have had little awareness of soil conservation and even less awareness of the concepts of soil fertilization. It is not surprising, therefore, that soil fertility in India had reached extreme lows, and that crop yields are among the lowest in the world.

Considerable effort has been expended in recent years, and this historic trend is now being reversed. Commercial fertilizers used per arable hectare in India in 1963-64, the latest year for which statistics are available, only totaled 3.68 kilograms per hectare, but this was almost double the 2.0 kilograms for 1961-62. Admittedly, this low consumption contrasts sharply with consumption in other areas of the world, where levels are 50 to 100 times greater —but at least it is a step forward.

In rural areas of India cow dung plays an important part in day-to-day living but it is tragic fact that less than 40 percent of this manure is used on the land. Too often the critical need for cow dung for fuel precludes its being applied to the soil, and even recent programs encouraging the use of manure for fertilization could fail in the absence of a cheap and available fuel substitute. For meeting general fertility needs, other types of animal manures do not exist in sufficient quantities to be of great value, and night soil has never been used much in India for agricultural purposes, as in other Asian countries.

Limited green manuring—the growing of crops for the expressed purpose of adding organic material to the soil—is practiced in India. It is estimated that about 22 million acres were green manured in 1964-65, an increase of 7 million acres in the past 2 years.

Farmers are now clamoring for more fertilizer, as they know it means more food and more rupees in their pockets. And, in spite of temporary setbacks, progress has been made and will continue. While all targets have not been achieved and future goals may not always be reached, there is hope as long as the fertilizer gap narrows each year.

IMPORTS OF FERTILIZERS INTO INDIA

Types	1961-62	1962-63	1963-64	1964-65[1]
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Nitrogenous fertilizers:				
Ammonium sulfate	387,128	596,778	429,738	568,667
Ammonium nitrate	160	—	418	—
Calcium ammonium nitrate	48,775	—	—	—
Urea	115,185	219,448	205,309	285,496
Natural nitrate of soda	11,281	12,560	6,165	6,000
Other	—	—	27,175	2,000
Phosphatic fertilizers:				
Superphosphate	788	2,133	508	358
Other phosphates	620	4,526	3,467	11,331
Natural phosphates	243,508	303,713	377,092	447,529
Other mineral phosphates	430	66	([2])	([2])
Potassic fertilizers:				
Muriate of potash 60% of K_2O	41,137	65,900	85,095	73,804
Muriate of potash 50% of K_2O	5,251	5,970	20,189	16,964
Sulfate of potash	6,146	3,502	5,816	8,824
Complex fertilizer:				
Ammonium phosphate sulfate	—	30,065	48,235	30,167
Nitrophosphate	15,000	15,084	20,311	48,525

[1] Provisional. [2] Small quantities.

Report Out on Japan's Textile Industry

Strong competition is likely to continue to plague cotton in Japan, according to a recent publication of the Foreign Agricultural Service.

The report, *Cotton and Manmade Fibers Competition in Japan*,* gives an in-depth analysis of the many factors that affect cotton consumption by this largest user of imported cotton and major market for cotton from the United States.

The report states that both at home and in Japan's export markets, demand for manmade-fiber products has risen much more dramatically than that for cotton textiles. In addition, the country's 1964 textile legislation, which relieved the industry of the more rigid controls that previously existed, has enabled the textile industry to move closer to a multifiber operation. As a result, use of cotton by the textile industry has fallen to less than half total consumption from around 70 percent in earlier years.

Whether cotton will suffer further inroads in its market share—now below half the total—will in part depend on effectiveness of cotton market-development programs in Japan's population and per capita income as well as from ing on far-reaching campaigns for their products, putting about 20 times more money into promotion than do producers and retailers of cotton and cotton textiles.

On the other hand, cotton should benefit from gains in Japan's population and per capita income as well as from such likely demand-spurring changes as reduction in textile prices.

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New Common EEC Farm Prices—More Production, More Protection

By REED E. FRIEND
Foreign Regional Analysis Division
Economic Research Service

Last month's farm policy decisions by the European Economic Community's Council of Ministers (see *Foreign Agriculture*, Aug. 15, p. 7) established commodity price levels and the principles of regulations that are generous to Community farmers. The net result is likely to be the spurring of agricultural output and the building of a higher wall of protection around EEC farms.

While some of the common prices set by the Council conform closely to the proposals drawn up by the EEC Commission (see *Foreign Agriculture*, June 27, p. 7), others have undergone considerable change. For most commodities, the new price levels are somewhat above those proposed by the Commission and definitely above those current in the principal producing EEC countries.

Producer prices for some commodities will decline below prior levels in several of the countries—for example, milk prices in Italy, sugarbeet prices in Italy and West Germany. But prices in general are set at favorable levels; and for French farmers, some generous increases are provided.

Milk, beef and veal

The target price for 100 pounds of milk at the farm gate has been set at $4.42, nearly 3 percent above the Commission proposal. The new guide price for medium-quality cattle (live weight) at the wholesale level is $30.05 per 100 pounds compared with $40.60 for medium-quality calves.

These prices work out to a milk:cattle ratio of 1:6.80, tending close to the lower range of the milk:beef ratio which the EEC Commission considers necessary to encourage beef output. Output of beef is substantially below Community needs and demand is strong. Milk, on the other hand, is already in surplus production in the EEC and per capita consumption has stabilized.

There is some doubt that this milk:beef ratio will provide the desired stimulus to beef output. The EEC Commission has revised its projection of net beef imports to 1970, upping its earlier figure to around a million metric tons, compared with net imports in 1964-65 estimated at 640,000. It is important to note, however, that in West Germany and Italy actual 1964-65 market prices for beef cattle were higher than the new common beef target price, and in the other EEC countries they were only 2 to 9 percent lower (6 percent lower in France).

Rice, oilseeds, olive oil

Rice is grown in only two of the EEC countries, Italy and France, with over 80 percent of the production in Italy. The basic target price for milled rice is placed at $8.22 per 100 pounds with an intervention price of $5.44 in Italy and $5.58 in France. Duisburg (West Germany), the region with the largest deficit, will have a threshold price of $8.06 per 100 pounds.

An important consideration in arriving at the common prices for rice was the corn:rice price ratio, in view of the fact that these grains are in competition for land use. The new rice prices, set in line with the corn prices that were agreed upon in December 1964, are not expected to provide much stimulus to production.

Colza, rape, and sunflowers account for most of the oilseeds produced in the Community. Rising producer prices for sunflowers have resulted in considerable expansion of output in France.

The target price set for these three oilseeds is $202.50 per metric ton. The basic intervention price was set at $192.50 per metric ton and the lowest intervention price at $176.50. This action pushes oilseed prices substantially above the levels proposed by the EEC Commission. It may have been taken in an attempt to preclude producers from substituting other crops (for example, wheat and sugarbeets) for oilseeds.

Also higher than the Commission's proposed price was the producer's target price for olive oil, set at $1,150 per metric ton (a rise of 4 percent).

Sugar and sugarbeets

Sugarbeets are produced in all countries of the Community. Production of sugar for the whole of the EEC exceeds consumption, but the yearly level of beet output is highly susceptible to variations in weather.

Basic sugarbeet production quotas have been established for the individual EEC countries, with a minimum price of $17 per metric ton. These quotas are derived from a total EEC production quota of 6.48 million metric tons for refined sugar.

Each refinery will buy its beets at the $17 rate until it has enough to fulfill its share of its country's sugar quota. For beet purchases up to 35 percent beyond this basic quota, the minimum price will fall to $10 per ton. The target price for refined white sugar has been set at $10.14 per 100 pounds; the intervention price is to be $9.68.

The liberal production quota for refined sugar and the basic minimum price of $17 per ton for sugarbeets will combine to favor increased sugar production in the EEC. This basic price is over one-fourth greater than the 1964-65 basic price in France, although roughly 10 percent below those in West Germany and Italy. Thus, sugar surpluses can be expected in the Community, despite rising per capita consumption.

The new prices and the consumer

EEC calculations of the cost-of-living changes that would probably occur if the Commission's common price proposals were put into effect showed a slight increase for the Netherlands, France, and Belgium and a slight decrease for Italy and West Germany.

The actual Council decisions, however, may heighten the cost-of-living increases and reduce or possibly eliminate any decline in a member country. This will place a greater burden on the EEC consumer and may have a negative effect on his consumption of domestic farm products. One example of such a negative effect is provided by the Commission, which indicated that the target price for milk will result in curtailing consumption of butter in the Netherlands and of medium-hard cheese in West Germany, unless consumer subsidies are granted.

Rhodesia Plans Big Tobacco Crop Despite Marketing Problems

With the political situation still threatening Rhodesia's tobacco industry, the government has taken bold steps to protect the 2,600 growers whose livelihood depends upon the production and sale of flue-cured leaf.

In mid-July, Rhodesia's Minister of Agriculture, George W. Rudland, announced a flue-cured target of 200 million pounds for the coming growing season, which starts in October. At the same time, he stated that there will be guaranteed grade prices for this crop giving growers an average return of 28 pence (about 33 U.S. cents) per pound, which is 2 pence higher than last year. Thus, the new crop guarantees a minimum income to farmers of £23 million, or over $64 million.

The announcement was warmly welcomed by Rhodesia's tobacco growers, for many of them had expected an official call for a smaller target, at a lower average price. Shortly after it was made the Rhodesian Tobacco Association put forth a plan for production and marketing.

The volume of flue-cured tobacco to be marketed next year will be controlled by quotas to growers. Each grower will be allocated a basic quota calculated on the weight of tobacco sold by him during the current season (1965-66), or on what he might have sold under normal circumstances. This will then be reduced by a percentage designed to equate the total crop to market demand.

Goal appears unrealistic

In view of the current political and economic situation, the production target of 200 million pounds appears to be unrealistically optimistic.

In 1964 Rhodesia produced a crop of about 300 million pounds. This record crop sold for only about 30 cents per pound on the auction floor, which was about one-third less than the price for the previous season. In 1965 production was adjusted downward and totaled 232 million pounds, with prices again averaging about 30 cents.

The original production target for the 1966 crop, which was planted in the fall of 1965, was set at 280 million pounds. However, in November of that year Rhodesia declared its independence, and practically all of the countries that normally purchase Rhodesian leaf announced an embargo on the Rhodesian tobacco trade. The government and the grower organizations urged tobacco farmers to reduce their acreage. While the size of this crop is still maintained as a close secret by the Rhodesians, available information indicates that it may exceed 250 million.

Surpluses building up

Marketing of this crop began last March, with sales taking place behind closed doors and in complete secrecy. It is believed, though, that less than one-fourth of the crop is being purchased by the commercial trade, and that the tobacco corporation established by the government to market it may have an inventory of 180-200 million pounds of flue-cured tobacco on its hands when the marketing season is completed.

If the political crisis is not resolved by next year, the Rhodesian Government may have to expend up to $65 million from its hard-pressed Treasury to finance the buying of the 1966-67 crop. With the large surplus from the present crop, and if a large part of the proposed 200-million-pound crop is also taken over by the government next year, Rhodesia could finish the 1966-67 marketing season with a burdensome surplus of tobacco—and with almost no access to foreign markets. —HUGH C. KIGER

Tobacco Division, FAS

Netherlands Starch Industry Growing

The Dutch have developed an active trade in corn starch—made primarily from U.S. corn—and potato starch, being both importers and exporters as well as producers.

The growing export trade, plus increased industrial utilization, has been responsible for this growth in starch production in recent years. For most industrial uses, corn starch and potato starch are almost interchangeable, and the type of starch used for a particular purpose is generally governed by price and availability.

In most West European countries, production of corn starch has made bigger gains than potato starch because of the increasing labor cost in potato production and the subsequent reduced availability of potatoes for industrial use. This does not seem to be the case in the Netherlands, however, because the raw material for potato starch production is cheaper than that for corn starch. Corn starch production, on the other hand, has the advantage of several byproducts such as molasses, corn oil, and gluten feed.

Corn for starch production is not specially imported but is purchased from overall supplies of imported corn in the Dutch market. Some 450,000-500,000 metric tons of corn, valued at about $30 million, are used annually. Although the United States supplies most of these imports, corn from South Africa, Romania, and Argentina is preferred because of its lower moisture content and fewer broken kernels. The United States is expected to continue as the major supplier of corn because of its large regular supply at competitive prices.

Ecuador Begins Agro-Military Program

On June 21 the Government of Ecuador formally launched an agro-military conscription program under which members of the armed services will be contributing directly to the country's agricultural development.

The program, called Conscripción Agraria Militar Ecuatoriana (CAME), currently centers around a pilot project some 20 miles from the city of Machala. At the project center 100 military conscripts are receiving practical training in agricultural production methods, along with required military training. In their second year of service, these conscripts will apply acquired knowledge in a farm colony, setting up housing, establishing land titles, operating a civic center, and performing farm operations.

Major land improvements are financed by the Ministry of Defense, while the National Institute for Agrarian Reform and Colonization provides for farm development, tillage, equipment, and machinery. In charge of organizing the CAME program are two Israeli officials.

Trade Center Is Hub of U.S. Promotion in Britain

The Center's program is keyed toward helping the U.S. food trade maintain or expand its $450-million share of the U.K.'s annual agricultural imports.

By ELMER B. WINNER
Assistant U.S. Agricultural Attaché, London

Big, important, highly competitive—these terms define the U.K. market for agricultural products—a market that absorbs $5.5 billion in agricultural imports annually. The drive by many countries to capture a larger share of this market is keen and continuous, and the export-minded U.S. businessman meets with fierce competition in his attempts to increase his market, hold what he has, or introduce a new product.

In this setting, the agricultural office in the U.S. Trade Center in London becomes the focal point for numerous market promotion activities in the United Kingdom. The office—market promotion arm for FAS in the United Kingdom—helps particularly in introducing new U.S. lines into the British market and in expanding sales of recently introduced lines.

The Trade Center, shared by the Departments of Agriculture and Commerce, has 3,000 square feet of exhibit space on the ground floor, plus foyer and window fronting on busy St. James's Street. Upstairs, the agricultural office frequently provides temporary headquarters for U.S. businessmen and commodity groups launching programs in the United Kingdom.

How to get the greatest impact in urging the British to "buy American" is the dominant concern in the Trade Center's program, a program carried out through a wide range of activities both within and beyond London.

Arranges trade fairs, exhibits

Trade shows at the Center provide one approach to U.S. market development in the United Kingdom. Following the Center's recent Specialty Food Exhibition, Ed Sajous, executive secretary of the National Association for the Specialty Food Trade (NASFT) commented, "The foreign trade shows sponsored by the U.S. Department of Agriculture are one of the greatest bargains available to specialty-food manufacturers. Here is a grand opportunity to broaden our markets and export business at an extremely low cost to the individual company.

"Most NASFT companies are relatively small and don't have the financial resources to do their own overseas advertising," Mr. Sajous added. "The costs of advertising, sending representatives, setting up exhibits, conducting consumer surveys, and making contacts with brokers, retailers, and caterers would be prohibitive. Through the U.S. Trade Center, all these services are brought to the small company and handled by experts."

For the Specialty Foods Exhibition, the Center furnished booths and professional advertising and contracted an experienced London public relations firm to carry the story of U.S. specialty foods to both trade customers and the British housewife.

Fresh produce promotion launched

Earlier, in the spring of 1965, a large promotional program to airlift fresh fruits and vegetables to the United Kingdom and other areas in Western Europe was launched at the Trade Center. The more than 20 products displayed drew acclaim from hoteliers, restaurateurs, and caterers for their freshness and quality. As a result, Trans World Airlines appointed an air-fresh distributor in London to promote sales and handle distribution when the product arrives.

Following the successful trial-run in London, fresh fruits and vegetables were included in USDA exhibits on the

Continent. Recently, one source estimated air shipments of U.S. fresh produce to Europe in 1965 at 1.7 million pounds and predicted a 1966 volume of 3.7 million.

Trade Center food shows also help U.S. firms find agents to represent them in the U.K. market. For example, of some 25 companies without agents at the start of a recent show, 8 appointed representatives during the exhibit and are now doing business in the United Kingdom.

The Trade Center agricultural office is also heavily involved in planning and coordinating USDA exhibits held away from the Center. The FAS International Trade Fairs Division usually stages two or three such exhibits annually in the United Kingdom—some small and some quite large, some public and some exclusively for the trade. U.S. commodity cooperators have a large stake in each show, and participation by British importers and American firms is rapidly increasing.

Approaching the British consumer

Aside from the exhibits and information services vital in introducing U.S. products into the trade channels for which London is the hub, the Trade Center office tackles the equally big job of encouraging housewives throughout Britain to "buy American." In this, the office works with store groups and other suppliers in Manchester, Birmingham, Bristol, Glasgow, and other cities in a program of "American Food Fortnights."

For these campaigns, stores are supplied with banners, shopping bags, price tickets, demonstrators, and free gifts for shoppers. Since a "Fortnight" promotes the entire range of U.S. foods carried in any particular store, established lines receive an extra boost at the same time that new lines are introduced to the store's clientele. Sales of some older lines increased as much as 400 percent during promotions held in the past year.

"Fortnights" often provide followup consumer promotion for items introduced to the trade at Trade Center exhibits. For example, a British store purchased a California company's line of frozen foods exhibited at a Trade Center show. A few months later this store featured the foods during an American food promotion. Sales were brisk, and a second order of 150 cases went out before the "Fortnight" was over.

Sometimes, a variety of activities is concentrated into one campaign. For example, a three-pronged promotion at Manchester in May was designed to bring American foods into sharp focus for the area's 15 million inhabitants. USDA's 25,000-square-foot exhibit was backed up with in-store promotions in more than 400 stores and with an American food supplement in the city's evening newspaper calling attention to the events.

Serves as conference table

In some instances the Trade Center drops the "hard sell" approach and provides a forum for British and American businessmen to exchange viewpoints. For the past 3 years annual seminars on livestock feeding have been held to encourage greater use of U.S. feedgrains, soybean meal, and tallow.

Likewise, a successful variety meats seminar was held last fall. Although the United States supplies a substantial share of the United Kingdom's imported variety meats, failure to tailor products to market needs was inhibiting the rate of sales expansion. At the seminar, businessmen from both sides of the Atlantic aired their views, after which a summary brochure was prepared to stimulate

Clockwise from right: first major display of U.S. fresh produce at Trade Center last year; food writers try pilaff made with bulgar wheat at another Center show; U.S. convenience-foods exhibit at Britain's Hotelympia.

further discussion. The result was a second seminar—this time in Chicago—and stronger efforts by the U.S. variety meats industry to meet the requirements of the U.K. market.

The job of helping American firms sell to the British market goes on day by day, as the Trade Center agricultural office maintains constant contact with U.S. companies seeking to enter or enlarge the market.

Demands on the office require a continual search for information on market expansion opportunities and promotion activities that will maximize sales. Market studies, one of which is currently underway, provide a constant reservoir of marketing facts and predictions to help guide the promotional activities of the Center and to help individual U.S. businessmen chart their own courses.

Competition is active, too

Competitors with the United States for the U.K. market have not been idle. Countries like Canada and Australia maintain sizable trading facilities in London to push sales of their products. More and more countries are establishing food centers, which usually include a restaurant and food shop along with arrangements to handle trade orders. Denmark opened a food center in London some 5 years ago and another in Manchester last year, while Germany and Norway maintain similar centers. Ceylon has its tea centers, and Iceland recently opened a center a few doors off busy Piccadilly Circus.

Above, British grocers and their wives sample U.S. foods at this year's Grocers Exhibition in Manchester; below, U.K. importer and U.S. exporter exchange cards.

British housewife, below, wins complimentary basket of U.S. foods—an oft-repeated scene at May's 420-store promotion in Manchester.

Above, tradespeople discuss orders in trade lounge at a recent exhibit; below, display announces "American Food Fortnight."

Potential for Greater Wheat Use Evident in Thailand

With per capita income on the rise and marketing facilities improving, many people in Thailand are discovering the opportunity to move away from their traditional rice-based diets toward greater use of wheat foods. More wheat will have to be imported to meet this demand, as experiments to produce it domestically have not been very successful.

Wheat products are considerably more expensive than rice and account for only a small proportion of daily calorie intake. However, as transportation and marketing methods improve further and bakeries and factories are modernized, prices of wheat flour and wheat products will decrease, allowing more people in lower income brackets to up their consumption.

Thailand's per capita income has been rising at the average rate of about 4.6 percent annually. As income increases, expenditure on wheat products also rises. A survey of 617 households showed that expenditures for wheat ranged from $1.65 monthly in households with annual incomes of less than $290 to $8.70 in those with incomes of $2,885 and over.

Other factors contributing to greater use of wheat foods in Thailand are the desire to avoid eating rice at all three meals, the good taste of wheat foods, the growing popularity of Western dishes, recognition of the nutritional value of wheat products, and—with more women working outside the home—the time-saving element. Among higher income groups, European dishes like cakes and confections are status symbols.

U.S. wheat's position improving

Indications are that U.S. wheat will share in the growing Thai market. A trial shipment of 1,000 metric tons late last spring came through milling and baking tests successfully, and a second shipment—5,300 tons—is now on its way. The trial shipment was, for all practical purposes, Thailand's first purchase of U.S. wheat, as only 11 metric tons had been taken previously (see story on opposite page).

During the past 10 years, Thailand has been importing an average of about 27,000 metric tons of wheat—unmilled grain, flour, and wheat products—for an annual value of about $3.8 million. Although the volume varied from year to year, the overall trend was upward. By 1964 a move was evident toward greater takings of unmilled wheat and wheat flour rather than manufactured products. Chief reason for the import of more unmilled wheat was the establishment that year of Thailand's only mill, the United Flour Mill Co., Ltd.

Imports of unmilled wheat showed the greatest change in the 1955-64 period, moving from 600 to 9,800 metric tons. Those of wheat products averaged 440 tons annually in the last half of the 1950's, dropping to 240 tons annually in the early 1960's. During the same 10-year period, Thailand's imports of wheat flour held fairly steady, averaging 25,000 tons.

Australia chief supplier

Australia ranks first among Thailand's sources of unmilled wheat, supplying about 58 percent of Thai imports, with Canada second and Singapore in third place. For wheat flour, Australia and Canada again rank first and second, followed by Japan and the United States. The U.S. share of this market is just 5 percent. The United Kingdom supplies 56 percent of Thailand's wheat-product imports, followed by the United States with about 15 percent.

Thai wheat users find soft Australian wheat suitable for biscuits, noodles, Chinese doughnuts, and similar products and hard Canadian wheats better for bread, cakes, and pastries. Both are used in the production of Chinese *bae-sae*, an ingredient of cookies. Although all these products are produced within the country, Thailand still imports such wheat products as macaroni, spaghetti, noodles, bread, biscuits, and crackers.

Domestic flour output low

The United Flour Mill is still in its early stages of operation. Running at full capacity for only 2 weeks out of each month, it produces 100 tons of flour from 130 of wheat. The mill has purchased Fair Average Quality wheat from Australia, f.o.b. Bangkok, at a price between $75 and $88 per ton and Manitoba II wheat from Canada for between $90 and $98 per ton, c.i.f. Bangkok. At one time, the mill attempted to buy U.S. wheat, but the price was much higher than that of Australian wheat. According to the mill's manager, another reason for hesitating about U.S. wheat is the lower percentage of flour obtained as compared with Australian wheat.

Rice products, like the noodles being prepared above, are beginning to lose ground to wheat foods in Thailand.

The mill also buys a small amount of wheat from producers in the northern part of Thailand where trial wheat production was begun in 1963. Output in 1964 was 176.9 metric tons. Although the quality of this wheat was not very good, the United Flour Mill bought it at about $96 per metric ton. Whether domestic production will take place on any sizable scale in the future will depend upon the quality that can be achieved and production costs versus the future price of wheat.

A number of brands of flour containing various amounts of soft and hard wheats are produced. Usually, the flour is sold at the mill, with buyers bearing transportation costs. Monthly sales amount to about 1,000 tons—Australian wheat flour selling for about $205 per ton and that made from Canadian wheat for about $226.

Thai bakers price conscious

Bakers interviewed in Bangkok consider the quality of local wheat flour poorer than that of imported flour. However, being extremely

This article is based on a recent market survey prepared for Wheat Associates, U.S.A., Inc.

price-conscious, they blend lower cost local flour with imported flour for some products—the ratio of the mixture depending upon the cost of the finished product. Biscuit and cracker producers use more local flour than those who produce bread and pastries.

Because of the relatively small amount of wheat products produced, these bakers ordinarily order imported wheat from agents in Bangkok rather than directly from abroad. Brand names are not particularly important, as cost is the overriding consideration. Some have ordered brand-name flours directly from abroad, but only when a specific quality was needed for cakes and biscuits. A major problem confronting bakeries in Bangkok is high production costs. The price of imported flour reflects the Thai Government's high import duty, while that of local flour reflects the import duty on unmilled wheat plus the sales tax on wheat flour. Among other problems are competition with imported wheat products—forcing Thai bakers to set lower prices—and the seasonal nature of demand, which rises considerably at Christmas, New Year, and other holidays.

Bakers in other cities also reported high production costs as a major problem. Here, the quality of the wheat products produced is inferior to those produced in Bangkok and their prices lower so they can compete with Bangkok products. In addition, many new bakeries are being established, sharpening competition.

Among baked goods and desserts produced from wheat flour, the most popular in Thailand are Chinese doughnuts—eaten at breakfast or between-meal snacks—bread, cakes, and some Thai desserts. Noodles are the most common main dish, followed by Chinese *sa-la-pao*, vegetable or meat mixtures dipped in flour solution and fried, and macaroni.

From 833 samples in 6 municipal areas it was found that consumers use more wheat products as main dishes than as desserts. Only 1 percent reported using wheat products at every meal, 21 percent at least once a month, and 78 percent only on occasion.

Restaurants rank as the chief place where the Thai consumer buys his wheat products, followed by markets, retail stores, and vendors.

Thai Milling Tests on U.S. Wheats Lead to Followup Purchase

Successful milling and baking tests on Thailand's first sizable purchase of U.S. wheat—1,000 metric tons—have brought an additional order for 5,300 tons, expected to arrive in Bangkok in late September.

Half the trial purchase consisted of Dark Northern Spring, which was blended with Australian F.A.Q. in an aim to produce acceptable bread flour. In the past, Thailand had been importing its hard spring wheats chiefly from Canada. White Club, a soft wheat produced in the Pacific Northwest, made up the other half.

En route to Thailand now are 4,300 metric tons of Dark Northern Spring and 1,000 of Western White.

For a long time, the U.S. grain trade found it difficult to sell to the Thai market because of high shipping costs for parcel lots. Rail rates from spring wheat areas—the Dakotas and Montana—to the West Coast were high until last year. Liner traffic from the Coast to Bangkok is light, and space, when available, is expensive.

In June 1965, however, westbound rail rates for wheat from the Dakotas and Montana were reduced, enabling U.S. hard wheats to become competitively available on the West Coast. If shipping space can be booked at reasonable rates, it is likely that more U.S. wheat—especially hard types—will move to Thailand. The country finds it more expedient to import rather than grow wheat, as local trials produced a poor-quality yield at twice the cost of growing rice.

Clockwise from below: Freighter carrying trial shipment of U.S. wheat steams into Bangkok; wheat is bagged in the hold, then loaded into cargo boats for its journey to flour mill downstream.

Canadian Charolais Cattle Imports To Double

Arrangements are being completed to import 225 Charolais calves into Canada this fall. Canadian cattlemen applied for permits to import more than 1700 of these large beef animals.

Facilities at the Grosse Ile quarantine station will have to be expanded greatly to handle the 225 cattle expected by mid-October. Cattle imported from countries not traditionally free of foot-and-mouth disease must be quarantined on Grosse Ile for a minimum of 3 months. The period is extended for cattle imported late in the year because ice in the St. Lawrence River makes it impossible to remove them until spring.

In addition, the cattle must be held on the owner's farm for an additional 3 months after they are released from the Grosse Ile quarantine station. The 109 surviving Charolais calves out of 113 imported from France last fall are just now being released from the extended quarantine period. In addition to the cost of quarantine borne by the owner, last year's calf imports cost the Canadian Government about $225 per head.

Beginning with this year's calf purchases, each applicant for an import permit is asked whether he intends to retain the cattle in Canada. If so, he is also asked to refrain from applying for an export health certificate for any of the animals for at least 3 years from the date of release from quarantine. Earlier this year there was concern in Parliament about resale of these calves to the United States.

U. K. Lard Imports Down 25 Percent

Imports of lard into the United Kingdom dropped 25 percent during the first 5 months of 1966 compared with the same period last year.

U.K. LARD IMPORTS BY COUNTRY OF ORIGIN

Country of origin	Jan.-May 1965		Jan.-May 1966	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	145,289	67.2	43,759	26.9
Belgium	40,842	18.9	36,070	22.2
Poland	—	—	12,908	7.9
Denmark	7,768	3.6	12,023	7.4
Italy	1,204	.5	11,755	7.2
France	9,584	4.4	10,395	6.4
Netherlands	4,467	2.1	9,828	6.0
Romania	—	—	9,080	5.6
Germany, West	2,752	1.3	5,309	3.3
Bulgaria	—	—	3,434	2.1
Switzerland	221	.1	2,889	1.8
Sweden	2,775	1.3	2,359	1.4
Canada	448	.2	1,525	.9
Others	878	.4	1,389	.9
Total	216,228	100.0	162,723	100.0

Henry A. Lane & Co., Ltd.

The U.S. share of the market continued to dwindle, the result of short supplies and higher prices that have prevailed in the United States over the last year. In recent years U.S. lard has had as much as 90 to 95 percent of the U.K. market.

Because of the short supply and higher price of U.S. lard, U.K. buyers have turned to European suppliers to attempt to fill their requirements. Practically every country in Western Europe has shipped lard to the United Kingdom in 1966, as well as several Eastern European countries. Belgium has become the second most important supplier; however, the greater part of the lard shipped from Belgium originates in neighboring countries.

Lard has been almost completely replaced by substitutes in the manufacture of margarine in the United Kingdom in 1966. It has given way to fish oil and edible palm oil, both of which have become more competitively priced. In the early months of 1965 lard represented one-fourth of the fats and oils used in the manufacture of margarine in the United Kingdom. In the same month this year that quantity had dropped to less than 2 percent.

German Poultry Grading Regulation Amended

The German Parliament has passed an amendment to the German poultry regulation permitting heavier roasting chickens (weighing over 1,750 grams—3.9 lb.) to be labeled "Jungmasthahn". The amendment approved on July 15, 1966, is tailored to the German poultry industry, which has recently started producing heavier chickens.

New Quota Set for Vanilla Exports to U.S.

An export quota of 435 metric tons of vanilla has been set for shipment to the United States during August-December 1966 under an agreement between the Malagasy Republic, Comores, Reunion, and the U. S. Vanilla Bean and Flavoring Extract Manufacturers Association. The Malagasy Republic will supply 360 tons, Comores 70 tons, and Reunion 5 tons. Prices will remain at $10.20 per kilogram ($4.63 per lb.) as in the previous quota arrangement, which involved shipment of 430 tons during the February-July 1966 period.

The three producers have set a joint quota of 140 tons for shipment to Europe during the same period. The Malagasy Republic will export 65 tons, Comores 50 tons, and Reunion 25 tons.

Frost Reportedly Damages Brazilian Coffee

Heavy frost was recently reported in the coffee-producing areas of Paraná and São Paulo, Brazil. Frost is said to have struck Paraná and the Upper Paulista Zone in southwestern Saõ Paulo August 5-6. The Londrina Maringa area, a heavy producing area in Paraná, was hit again on the night of August 7-8. Damage reportedly is rather severe in some of the municipalities.

The extent of the damage to the coffee trees has yet to be assessed. Any reduction in the size of Brazil's coffee crop because of the frost will affect the 1967-68 production rather than the 1966-67 crop. Harvesting of the 1967-68 crop will begin about May 1967.

Mainland China's Tung Oil Exports

Tung oil exports from Mainland China in 1965, as indicated by reported imports into major importing countries, amounted to 19,700 short tons. This figure compares

with 17,900 and 13,400 tons in 1964 and 1963, respectively. The gain reflected some rise in the percentage of the nut crop harvested, owing to increased incentives to producers, but was somewhat below the previous forecast (see *Foreign Agriculture* November 22, 1965).

TUNG OIL IMPORTS FROM MAINLAND CHINA

Importing country	Average 1955-59	1962	1963	1964 [1]	1965 [1]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Austria	302	29	40	140	157
Belgium	98	—	40	144	313
Denmark	219	283	353	471	396
France	957	197	388	355	779
Germany, West	4,296	1,127	962	1,636	1,673
Italy	483	269	254	—	414
Netherlands	701	280	785	1,045	1,188
Norway	811	51	58	157	[2] 150
Sweden	1,128	676	815	985	988
United Kingdom	5,298	1,232	1,431	3,678	4,567
USSR	18,275	7,390	1,984	1,984	[2] 2,000
Hong Kong	7,201	1,757	2,463	2,452	1,908
Japan	3,707	2,687	2,330	3,695	3,591
Australia [3]	1,795	1,079	1,208	970	1,245
New Zealand	259	[2] 193	[3] 126	[3] 163	[3] 234
Others [4]	2,617	477	155	65	101
Total	48,147	17,727	13,392	17,940	19,704

[1] Preliminary. [2] Estimated. [3] 12 months ending June 30 of year shown. [4] Includes Canada, Poland, India, and Malaysia. Compiled from official and other sources.

Despite increased exports, the largest since 1960, movements of tung oil remained markedly below those averaged during the 1955-59 period. This chiefly reflected a sharp reduction in imports by the USSR. Movements to Europe amounting to about 55 percent of the total accounted for virtually all of the increase. Movements to the United Kingdom—the largest taker—together with those to France and Italy accounted for the bulk of the increase.

Prices for Chinese tung oil, in bulk, c.i.f. European ports, averaged 23.0 U.S. cents per pound in 1965 against 22.1 cents in 1964 and 25.0 cents averaged during the 1955-59 period. August 6 quotations indicate prices have declined to about 16.25 cents per pound. The decline reflects anticipation of sharply increased availabilities from new crop oil in both Argentina and Paraguay.

TUNG OIL CHINESE MONTHLY AVERAGE PRICES [1]

Month	Average 1959-64	1963	1964	1965	1966
	US cents per pound	*US cents per pound*	*US cents per pound*	*US cents per pound*	*US cents per pound*
January	23.5	38.7	27.5	25.0	19.2
February	23.4	38.7	25.7	24.8	19.6
March	24.6	39.4	24.3	25.0	19.6
April	25.1	37.8	23.0	26.2	19.5
May	27.0	37.2	20.9	25.8	18.8
June	26.7	37.0	19.8	25.2	18.5
July	26.7	36.4	19.8	23.5	16.6
August	26.4	35.9	19.9	21.6	
September	23.4	[2]	19.8	20.7	
October	23.2	[2]	20.2	19.9	
November	24.6	30.5	21.0	19.2	
December	25.0	28.6	23.8	19.2	
Average	25.0	36.0	22.1	23.0	

[1] Quoted in bulk c.i.f. European ports converted from original at an average rate of US$2.80 per £ sterling. [2] Nominal. Compiled from *Public Ledger, London* (Saturday edition).

During the January-May period northbound shipments of tung oil through the Suez Canal (presumed to be virtually all from China) totaled 3,936 tons against 4,831 tons in the comparable months of 1965.

India's Exports of Oilseed Cakes, Meals Up

Prospects for Indian exports of oilseed cakes and meals, particularly de-oiled peanut meal, have improved since devaluation of the Indian rupee on June 6. About 115,000 metric tons of solvent extracted (de-oiled) peanut meal are said to have been contracted for export by Indian shippers since June 6, including about 25,000 tons to Japan, 75,000 to Western Europe, and 15,000 tons to Eastern Europe. Japan continues to be an enthusiastic buyer, but the United Kingdom reportedly was heavily stocked as of mid-July.

The export deadlock with countries having rupee payment agreements with India has now been lifted, and exports to those countries are expected to pick up. This follows the arrangement arrived at between the Indian Government and the USSR by which Indian shippers have been allowed to mark up their rupee prices by 47.5 percent on the unimplemented portions of their existing contracts; a 57.5 percent markup has been allowed Communist countries other than USSR.

El Salvador Exports More Cotton

Exports of raw cotton from El Salvador in the August-June period of 1965-66 amounted to 247,000 bales (480 lb. net), 18 percent above the 209,000 bales exported in the same months of 1964-65. Exports to principal destinations in the period under review, in thousands of bales, with 1964-65 figures in parentheses, were Japan 208 (159), Italy 11 (10), Netherlands 9 (4), South Korea 4 (1), Taiwan 3 (3), Spain 2 (0), West Germany 2 (3), and others 8 (29). No exports to Communist China were reported for the current season, whereas in 1964-65 23,000 bales were shipped to that country.

Total exports for the full 1965-66 season are placed at slightly over 250,000 bales. Ending stocks on July 31 were estimated at about 25,000 bales, barely enough to meet consumption requirements until the 1966-67 crop is harvested next February. Consumption for the 1965-66 season was around 50,000 bales.

The 1965-66 cotton crop amounted to about 250,000 bales, down sharply from the record 1964-65 crop of 350,000 bales and the smallest since 1960-61. Yields have been low for the past three seasons, largely because of unfavorable weather and serious insect problems. Indications are that the 1966-67 cotton area may be cut very sharply. Most of El Salvador's cotton is produced by tenant farmers who are likely to withdraw from cotton production in large numbers this season because of recent experience.

Greek Raisin and Currant Supports Unchanged

The Greek Government has set 1966 crop "security" prices for sultanas and dried currants at the same levels as for the 1965 crop.

Sultana growers will again be assured of 15.1 U.S. cents per pound for their grade No. 4 sultanas (with a range from 14.6 cents for No. 5 to 15.9 cents for No. 1).

Currant growers will again be entitled to prices ranging between 13.7 and 14.9 cents per pound, depending upon the region of production.

The 1966 crop forecasts are 108,000 short tons for raisins (104,000 tons are sultanas) and 95,000 tons for currants. The raisin forecast is the same as the record crop harvested in 1965, while the dried currant forecast is 8,000 tons above the 1965 harvest.

London's Canned Fruit and Juice Prices

Selling prices in London (landed, duty paid) of selected canned fruits and juices are given in the following table:

Type and quality	Size of Can	Price per dozen units: July 1965	April 1966	July 1966	Origin
CANNED FRUIT					
Apricots:		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Whole, unpeeled, choice	303	2.38	2.40	2.40	U.S.
Halves, fancy	2½	3.13	3.20	3.20	S. Africa
Halves, choice	2½	4.13	4.02	4.04	U.S.
Do	2½	3.34	3.45	3.45	Australia
Do	2½	2.92	3.10	3.10	S. Africa
Do	No. 1 (15 oz.)	1.72	1.84	1.84	S. Africa
Halves, standard	2½	3.41	3.43	3.54	U.S.
Halves, in syrup	15 oz.	1.58	1.47	1.41	Spain
Fruit cocktail:					
Choice	303	—	2.76	2.56	U.S.
Do	8 oz.	—	1.70	1.48	U.S.
Do	15 oz.	—	2.10	2.10	Spain
Do	2½	—	4.15	4.15	Australia
Grapefruit sections:					
Fancy	303	2.52	—	[1] 2.22	U.S.
Choice	303	—	[1] 2.10	[1] 2.18	U.S.
Quality not specified	No. 2 (20 oz.)	2.62	2.73	2.70	Israel
Do	20 oz.	2.45	2.62	2.66	B.W.I.
Peaches, clingstone, halves:					
Fancy	2½	3.31	3.38	3.38	S. Africa
Do	2½	3.41	3.55	3.55	Australia
Choice	2½	3.52	3.55	3.55	U.S.
Do	2½	3.04	3.27	3.27	S. Africa
Do	2½	3.34	3.45	3.45	Australia
Do	303	2.38	2.34	2.34	U.S.
Pears:					
Fancy	2½	3.52	3.55	3.55	S. Africa
Do	2½	3.55	3.66	3.66	Australia
Choice	2½	3.26	3.45	3.45	S. Africa
Do	2½	3.34	3.59	3.59	Australia
Do	303	3.12	3.98	3.98	U.S.
Pineapple:					
Slices, fancy	2½	3.40	3.91	3.91	U.S.
Do	2	3.72	2.94	2.94	U.S.
Do	16 oz.	1.52	1.89	—	S. Africa
Slices, choice	2½	3.73	3.64	3.64	U.S.
Do	No. 2	2.80	2.73	2.73	U.S.
Do	2½	—	3.29	3.22	Formosa
Round, choice	20 oz.	—	2.31	2.28	Formosa
Slices, standard	20 oz.[2]	1.89	1.92	1.92	Malaya
Do	16 oz.[2]	1.69	1.72	1.72	Malaya
CANNED JUICE					
Orange, unsweetened	43 oz.	4.52	4.44	4.44	Israel
Do	19 oz.	1.96	1.96	1.96	Israel
Do	46 oz.	[1] 3.70	[1] 3.50	[1] 3.10	U.S.
Do	No. 2	[1] 1.58	[1] 1.50	[1] 1.35	U.S.
Grapefruit, unsweetened	19 oz.	1.90	1.92	1.92	Israel
Do	No. 2	—	[1] 1.50	[1] 1.45	U.S.
Do	46 oz.	—	[1] 3.50	[1] 3.00	U.S.
Do	43 oz.	—	4.34	4.16	Israel

[1] F.o.b. Florida. [2] General average quality.

Netherlands' Canned Fruit and Juice Prices

Selling prices in the Netherlands (landed, duty paid) of selected canned fruits and juices are shown in the following table:

Type and quality	Size of can	Price per dozen units: July 1965	April 1966	July 1966	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Choice	15 oz.	1.96	1.96	2.05	Spain
Do	2½	—	3.48	3.48	Spain
Quality not specified	2½	—	—	3.55	S. Africa
Standard, unpeeled in light syrup	2½	—	3.81	3.81	U.S.
Cherries:					
Red sour pitted fancy	10	—	—	19.57	U.S.
Red sour pitted	10	13.59	—	19.39	U.S.
Red imperial not pitted	2½	—	—	6.80	Italy
Fruit cocktail:					
Choice in light syrup	8 oz.	1.92	2.09	2.09	U.S.
Do	2½	5.04	5.44	5.04	U.S.
Choice in heavy syrup	2½	—	5.60	5.64	U.S.
Do	303	—	3.58	3.58	U.S.
Fruit salad (5 fruits):					
Choice in heavy syrup	500 gr.[1]	—	2.98	2.98	Spain
Do	250 gr.[2]	—	1.66	1.66	Spain
Peaches:					
Halves, choice in heavy syrup	2½	—	4.14	4.04	U.S.
Do	2½	—	4.31	3.98	S. Africa
Do	303	—	2.88	2.75	U.S.
Do	500 gr.[1]	—	2.61	2.62	Spain
Do	250 gr.[2]	—	—	1.46	Spain
Halves, choice in light syrup	2½	3.94	3.91	3.98	U.S.
Do	303	—	2.75	2.62	U.S.
Halves, standard in light syrup	2½	3.91	4.08	3.81	U.S.
Halves in syrup	2½	3.58	3.48	3.55	Greece
Pineapple:					
Fancy, in extra heavy syrup:					
4 whole slices	1	1.72	1.86	1.86	U.S.
8 whole slices	2½	4.99	5.14	5.14	U.S.
10 whole slices	2	3.68	3.81	3.81	U.S.
Choice, heavy syrup:					
4 whole slices	1	1.66	1.66	1.69	U.S.
8 whole slices	2½	4.94	4.91	4.67	U.S.
10 whole slices	2	3.28	3.55	3.35	U.S.
Pieces, heavy syrup	30 oz.	—	3.45	3.41	Taiwan
Slices, heavy syrup:					
10 fancy round cut	20 oz.	—	2.88	2.81	Malaya
8 choice round cut	12 oz.	—	1.82	1.79	Malaya
10 choice round cut	20 oz.	—	2.62	2.55	Malaya
22 choice round cut	20 oz.	—	4.14	4.08	Malaya
Choice, whole	30 oz.	—	—	4.01	Taiwan
8 whole	30 oz.	—	—	3.91	Ivory Coast
10 whole	20 oz.	—	—	2.69	Ivory Coast
Chunks, heavy syrup	2½	—	3.85	3.86	U.S.
CANNED JUICE					
Orange	6 oz.	—	—	.89	Greece
Grapefruit:					
Unsweetened	2	—	2.15	2.29	Israel
Pineapple:					
Unsweetened, fancy	2	2.15	1.72	1.82	U.S.
Unsweetened	211	1.52	1.29	1.29	U.S.

[1] 500 grams=17.6 oz. [2] 250 grams=8.8 oz.

West Germany Expects Large Hops Crop

West Germany's 1966 hops crop is forecast at 45 million pounds—the largest crop since long before Germany was divided. The 1965 crop totaled 40 million pounds against the 1955-59 average of 34 million.

The current acreage under hops is about 27,000 acres—up 5 percent from last year. The yield forecast at 1,667 pounds per acre would be above the 1965 yield of 1,557 pounds. Plentiful rain early in the growing season, interspersed with periods of sunshine and high temperatures, gave the plants a good start. Heavy July rains caused some downy mildew damage, kept back by sprayings.

Japan's 1966 Rice Crop Up Slightly

Japan's 1966 rice crop is unofficially estimated at about 1 percent above the 1965 crop according to present conditions. The harvest is still subject to Japan's main typhoon season before harvesting is completed next November.

Indications point to a crop of about 15.7 million tons of rough rice compared with 15.5 million in 1965, but 200,000 tons less than the average production of 15.9 million tons in 1960-64.

Planted acreage is estimated at only slightly under last year's level of 8,043,000 acres, with yields expected to be about average. In recent years planted rice acreage has shown a slight downward tendency. The main factors in a trend toward slight increases in yields over Japan's previous high yields are improved cultivation methods—including the use of superior seed—chemical fertilizers, and insecticides.

If this size crop is harvested, 1966-67 (November-October) rice import requirements are generally expected to approximate the 885,000 tons imported in 1965-66.

Good Dutch Pea Crop Is Prospect for 1966

Harvest of the 1966 Dutch dry pea crop began the week ending July 30. A week of good weather reportedly was all that was needed to safeguard the crop. Both yield per acre and quality of the crop were better than last year.

As of July 8 the 1966 crop was forecast at 1.4 million to 1.7 million bags. This compares with an output of 1.4 million bags in 1965, 1.8 million in 1964, and 2.3 million in 1963.

There is no estimate of 1966 dry pea acreage available, but recent years have witnessed sharp declines—from 85,000 in 1963 to 55,000 in 1964 and 36,000 in 1965.

U.S. Flue-Cured Exports Drop, Burley Up

U. S. exports of flue-cured tobacco in fiscal 1966 totaled 348.4 million pounds (export weight), valued at $306.4 million, compared with 372.7 million pounds at $312.5 million in fiscal 1965. Major markets for flue-cured in fiscal 1966, in order of importance, were the United Kingdom, West Germany, Japan, the Netherlands, Australia, UAR, Thailand, and Belgium-Luxembourg.

Burley exports totaled 47.4 million pounds in fiscal 1966—about 1 percent more than in the previous year. Major markets for burley in fiscal 1966 were West Germany, UAR (Egypt), Thailand, Sweden, Italy, and Mexico. The value of burley exports in fiscal 1966 was $38.4 million, against $37.1 million in fiscal 1965.

U. S. EXPORTS OF FLUE-CURED AND BURLEY TOBACCO
[Export weight]

Destination	Flue-cured		Burley	
	Fiscal 1965	Fiscal 1966 [1]	Fiscal 1965	Fiscal 1966 [1]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*
United Kingdom	112.6	79.6	0.2	0.2
Germany, West	69.0	65.6	11.1	9.5
Japan	27.0	42.0	—	—
Netherlands	19.3	23.1	2.1	1.8
Australia	14.2	14.4	0.5	1.4
Egypt	4.9	14.3	0.3	5.9
Thailand	10.8	11.4	1.4	2.6
Belgium-Luxembourg	11.9	11.2	1.5	2.0
Vietnam, South	6.4	8.3	0.2	0.2
Denmark	11.3	7.9	2.0	2.0
Malaysia [3]	6.6	7.7	([2])	([2])
Sweden	8.1	7.5	4.2	2.4
Ireland	10.0	6.9	([2])	—
Switzerland	4.6	5.3	0.9	1.5
Hong Kong	7.5	4.4	1.4	1.6
Congo (Leopoldville)	1.9	4.2	0.8	2.0
Norway	3.3	3.6	0.7	0.7
New Zealand	2.8	3.6	([2])	([2])
Taiwan	4.5	3.4	0.2	0.1
Finland	3.9	2.8	1.2	1.0
Chile	1.1	1.9	0.7	1.8
Spain	2.1	1.7	—	0.1
Italy	4.8	1.5	7.3	2.3
Portugal	1.7	1.4	1.7	1.3
France	1.8	1.4	0.5	0.9
Mexico	0.8	0.4	4.4	2.2
Others	19.8	12.9	3.8	3.9
Total	372.7	348.4	47.1	47.4

[1] Preliminary; subject to revision. [2] Less than 50,000 pounds.
[3] Includes Singapore.
Bureau of the Census.

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Correction: *Foreign Agriculture*, August 15, 1966, page 3, line 2 of chart, for "million" read "billion."

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Highlights of the Agriculture and Trade of Yugoslavia

Resources:–Yugoslavia covers an area of approximately 99,000 square miles, slightly larger than the State of Wyoming. Total population on June 30, 1966, has been estimated at 19.5 million, 48 percent of which are classified as rural.

Agriculture:–Agriculture plays an important role in the development of the Yugoslav economy. In 1965, despite a sharp 7-percent decline in net output, the agricultural sector still contributed approximately one-fourth of the total GNP. In an attempt to boost production in 1966, the government increased the purchase prices of most agricultural products by one-third. Through these price incentives, along with other economic measures, the government hopes to encourage greater investment in the agricultural sector, particularly from the private sector.

Socialization of agriculture remains as an ultimate objective of the government. At the end of 1964 the socialist sector controlled approximately 14 percent of the country's arable land, owned 89 percent of the tractors, and contributed approximately 20 percent of the total output of agriculture. Most of the industrial crops—sugarbeets, tobacco, oilseeds, cotton, and the like—are grown on socialist farms. Private farms are small, averaging 12.3 acres and are limited by law to 24.7 acres of arable land.

Corn and wheat are Yugoslavia's major crops. Together they occupy about 60 percent of the arable land. Livestock and livestock products comprise about one-half of the value of the net agricultural output and are a major export item. Pork accounts for about 40 percent of livestock production, followed by milk, beef, and wool.

Inputs:–A sharp upward movement in the availability of agricultural inputs has been noted since 1958. Both fertilizer use and tractor numbers have almost doubled since that time, reflecting the increased emphasis on investment and the growth of the industrial sectors supplying these agricultural inputs. About 53 pounds of active ingredients were used on each acre of cultivated land in 1964. In the beginning of 1965 Yugoslavia had 45,364 tractors, 10,518 combines, and 3,480 trucks.

Food Situation:–Total per capita daily caloric intake of approximately 2,900 compares favorably with other European countries. Protein intake of less than 3 ounces a day is smaller than in the advanced West European countries but is in line with the adjoining countries in southeast Europe. Grain consumption of about 427 pounds per year ranks among the highest in Eastern Europe.

Foreign Trade:–Agricultural commodities (including products of the food processing industry) accounted for approximately 30 percent of the total value of exports in 1964. A preliminary estimate indicates that the total agricultural trade in 1965 may be approximately 20 percent higher than in 1964. Higher meat exports accounted for a substantial part of this increase. Imports of agricultural products account for approximately 15 percent of the total value of trade. Grain imports in 1965 amounted to half of this total.

Agricultural Trade With the United States:–In 1965, the United States supplied approximately 50 percent of total agricultural imports, and in recent years the average has been around 40 percent. Wheat and wheat flour are the principal U.S. exports. Other exports include cotton, edible vegetable oil, beans, lard, and tobacco. Dollar and credit sales to Yugoslavia in 1965 amounted to $94.0 million.

—ROGER E. NEETZ
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